



CORRECTED COPY*

NEW

NOTICE OF ACTION TAKEN

April 28, 1998

This serves as interim notice to the public of the action described below, taken orally by the Department official indicated; the confirming order or other decision document will be issued as soon as possible.

Joint application of **UNITED AIR LINES, INC., and COMPANIA MEXICANA de AVIACION, S.A. de C.V.,** filed **12/12/97** in Docket **OST-97-3237** for:

XX Exemption authority for United under 49 U.S.C. 40109 to provide the following service:

Scheduled foreign air transportation of persons, property, and mail between the terminal points Chicago, Illinois, and San Francisco, California, on the one hand, and Morelia, Mexico, on the other.

XX Statement of Authorization for Mexicana under Part 212 of the Department's regulations to:

Display United's airline designator code on flights operated by Mexicana in the Chicago-Morelia and San Francisco-Morelia markets.

The carriers requested that the authorities be granted coextensive with the authorities currently held by the carriers for U.S.-Mexico code-share services (i.e., exemption authority, through 6/24/99; statement of authorization, through 6/14/98).

Applicant reps: **Joel S. Burton for United (202)637-9130** DOT Analysts: **Linda Lundell (202) 366-2336**
Robert D. Papkin for Mexicana (202)626-6601 **Allen Brown (202)366-2405**

DISPOSITION

XX **Granted, subject to conditions, see below.**

The above action was effective when taken: **April 28, 1998**. The exemption authority will expire **6/24/99**, or 90 days after final Department action on a corresponding certificate application, whichever occurs earlier. The statement of authorization for Mexicana will expire **6/14/98**.

XX Under assigned authority (14 CFR 385) by:

Paul L. Gretch, Director
Office of International Aviation
(Petitions for review may be filed from now until
10 days after the confirming order/letter issues.
Filing of a petition shall not stay the effectiveness of this action.)

XX **Exemption authority granted is consistent with the aviation agreement between the United States and Mexico. The code-share authority granted is consistent with the overall state of aviation relations with Mexico.**

(See Reverse Side)

* Corrects Notice of Action Taken dated April 27, 1998. An incorrect issue date appeared at the top of that notice. The correct date is April 28, 1998.

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:

XX Holder's certificate of public convenience and necessity (United)

XX Standard Exemption Conditions (attached) (United)

Special Conditions: **The U.S.-Mexico exemption authority granted United is subject to the dormancy notice requirements set forth in condition 7 of Appendix A of Order 88-10-2.**

The code-share operations authorized here are subject to the condition that the operations comply with section 399.88 of the Department's regulations regarding code-sharing operations, and the further condition that the foreign air transportation be sold in the name of the carrier holding out service in computer reservation systems and elsewhere; that the carrier selling such transportation (i.e., the carrier shown on the ticket) accept all obligations established in the contract of carriage with the passenger; that the passenger liability of the operating carrier be unaffected; and that the operating carrier shall not permit the code of its U.S. code-sharing partner to be carried on any flight that enters, departs, or transits the airspace of any area for whose air space the Federal Aviation Administration has issued a flight prohibition.

Authorization of the code-share services may be withdrawn in any U.S.-Mexico city-pair market where another U.S. carrier proposes to operate services with its own aircraft (direct carrier services) and (1) additional designations are not available to authorize the proposed direct carrier service; and (2) the Department determines that the proposed direct carrier services would provide benefits and service options superior to the code-share operations in the market.

Remarks: For related earlier action on this joint application, see Notice of Action Taken dated March 20, 1998.

U.S. Carrier
Standard Exemption Conditions

In the conduct of the operations authorized by the attached order, the applicant(s) shall:

- (1) Hold at all times effective operating authority from the government of each country served;
- (2) Comply with applicable requirements concerning oversales contained in 14 CFR 250 (for scheduled operations, if authorized);
- (3) Comply with the requirements for reporting data contained in 14 CFR 241;
- (4) Comply with the requirements for minimum insurance coverage, and for certifying that coverage to the Department, contained in 14 CFR 205;
- (5) Comply with the requirements of 14 CFR 203, concerning waiver of Warsaw Convention liability limits and defenses;
- (6) Comply with the applicable requirements of the Federal Aviation Administration Regulations; and
- (7) Comply with such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Department of Transportation, with all applicable orders and regulations of other U.S. agencies and courts, and with all applicable laws of the United States.

The authority granted shall be effective only during the period when the holder is in compliance with the conditions imposed above.